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C O N F I D E N T I A L SECTION 01 OF 02 VILNIUS 000523

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TAGS: [PGOV](#) [ENRG](#) [EINV](#) [KNAR](#) [LH](#) [RS](#)
SUBJECT: (C) PM BRAZAUSKAS'S PRE-RESIGNATION FAREWELL
MEETING WITH AMBASSADOR

REF: A. VILNIUS 502
[1](#)B. VILNIUS 53
[1](#)C. VILNIUS 442

Classified By: Pol/Econ Officer Randolph Flay for reasons 1.4(b/d)

SUMMARY

[1](#)1. (C) Lithuania's Prime Minister Algirdas Brazauskas, during the Ambassador's May 30 farewell call, outlined his five-year plan to increase defense spending and affirmed his commitment to Jewish property restitution. The Ambassador noted the GOL's tremendous contribution to the Global war On Terror in Iraq and Afghanistan and Lithuania's leadership in promoting democracy in Belarus and throughout the region. The PM said he continues to value the principles, ideas, and advice of the United States as Lithuania supports democratic progress in Ukraine, Georgia, and Moldova. He also said the GOL's sale of its stake in the Mazeiku Nafta oil refinery is in the country's best interests. The meeting provided an opportunity to highlight the close bilateral relationship and to celebrate the GOL's major accomplishments, at what turned out to be the end of both the Ambassador and the PM's tenure -- the Lithuanian government fell the day after the meeting. End summary.

AN UNWAVERING ALLY IN NATO AND THE WAR ON TERROR

[1](#)2. (C) The Ambassador congratulated the PM for Lithuania's achievements over the past three years, during which the country joined NATO and the EU and emerged as a leader in expanding democracy to the east and south. Lithuania has 66 military personnel in Iraq, including its 53-person mechanized infantry battalion, and leads a Provincial Reconstruction Team in the Ghor province of Afghanistan. PM Brazauskas said the troops are well-prepared and eager to participate in international operations. He also recalled the importance of last month's conference in Vilnius, "Common Vision for a Common Neighborhood," in setting a new course for regional stability and cooperation (ref C).

[1](#)3. (C) The PM recounted Lithuania's relatively recent restoration of independence, and noted the importance the Government places on sharing its experience and success in joining NATO, the EU, the WTO, and other western structures. He spoke proudly, noting that Ukraine's constitution and electoral system borrowed heavily from Lithuania's model.

JEWISH ISSUES

[1](#)4. (C) The Ambassador thanked the PM for his consistent focus on property restitution. He urged the government to move the amendment on communal property restitution to the parliament.

Doing so will boost Lithuania's image and status internationally, he said, and cautioned that support may wane if the government or parliament delays action. The PM said he hopes the government will soon work out the final details of the cost to the GOL of restitution -- a prerequisite to move the legislation to the parliament. The Ambassador noted that the Embassy continues to meet with members of various Jewish communities to mediate discussion of their differences with respect to restitution claims.

15. (C) Regarding the former Jewish cemetery in the Snipiskes district of Vilnius, the PM noted that the national government opposed any development there. He said he has warned the Vilnius Mayor of further development on the site. (Note: Despite the PM's warning, a Lithuanian newspaper reported last week the City's plan to sign an agreement with the current owner of the Sports Palace Concert Hall on the site of the cemetery. Plans for the site are unclear, and permits have not been issued for new construction. End note.)

16. (C) The Ambassador also informed the PM of the situation of AmCit Chabad Lubovitch Rabbi Krinsky who, after failing to pay a debt on a school he operates, appears to be on the verge of losing title to a separate property the organization owns. The PM was not aware of the situation and, while suggesting that his advisors look into the matter, doubted that the government will be able to intervene in a matter of an unpaid debt to a private citizen.

RUSSIA WON'T MESS WITH PK ORLEN IN REFINERY DEAL

17. (C) The PM said that selling the GOL's shares in Mazeiku Nafta to the Polish concern PK/ORLEN (ref Scott's recent

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cable) is a good deal for the Lithuanian people. He also said that Russia is far too heavily invested in Poland's pipelines to cut off supplies. He also expressed confidence about the viability of bringing in crude oil via tanker to produce for domestic markets in the event of a supply disruption from the East.

COMMENT

18. (C) Brazauskas's political skills and staying power were a key element of the productive U.S.-Lithuania dialogue, but his departure from the scene does not threaten that process. The PM's resignation will require adjustments to the Embassy's strategy for engaging the GOL (ref B), but we do not expect the next leader to alter the course of our bilateral agenda.
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